

Financial Aid News

WASHINGTON HIGHER EDUCATION COORDINATING BOARD

Issue 47 — February 14, 2005

Online resources for aid administrators

- [Higher Education Coordinating Board Web site](#)
- [HECB secure Web site for aid administrators](#)
- [State Need Grant](#)
- [State Work Study](#)
- [Washington Promise Scholarship](#)
- [Educational Opportunity Grant](#)
- [Washington Scholars Program](#)
- [WAVE](#)
- [Other state aid programs](#)
- [Past issues of the *Financial Aid News* and other publications](#)
- [Washington Financial Aid Association](#)
- [Washington State Association of Student Employment Administrators](#)
- [Western Association of Financial Aid Administrators](#)
- [Western Association of Student Employment Administrators](#)
- [National Association of Student Financial Aid Administrators](#)



Higher Education
Coordinating Board

HECBFinancialAid@hecb.wa.gov

<http://www.hecb.wa.gov>

All material used
by permission.
Copyright laws apply.
The Higher Education
Coordinating Board
neither endorses nor
claims responsibility
for the accuracy
of information reported
from secondary sources.

In this issue:

- **2005-06 workshops for state student financial aid**
- **Updating program manuals – what changes would you like to see?**
- **President's budget has extensive impact on higher education and financial aid**
- **Republicans in Congress propose higher education reauthorization bill**
- **Legislative hearings on subjects of interest**
- **Online resources for tracking and analyzing legislation**
- **Bills of interest by subject**

Mark your calendar...

Annual state student financial aid workshops

May 9 — Yakima Valley Community College

May 10 — Spokane Falls Community College

May 12 — North Seattle Community College

May 13 — Centralia College

These one-day workshops, offered at four locations, will provide training and 2005-06 updates on the State Need Grant, State Work Study, Educational Opportunity Grant and smaller aid programs. It will also include an overview of HECB activities and technology enhancements.

There is no registration. An agenda, meeting room locations, and parking information will be sent to aid administrators in April. If you have questions, contact Katie Youngers at katiey@hecb.wa.gov or (360) 753-7859.

HECB solicits feedback on financial aid program manuals

The staff of the HECB is soliciting any and all ideas for improvement of the financial aid program manuals. If you are someone who uses the manuals, please take a few moments to review them in regard to content, format, and ease of use. Let us know if you have any difficulty interpreting our policies based on the explanations in the manuals. Send your comments and ideas to Katie Youngers at katiey@hecb.wa.gov, or call her at (360) 753-7859.

President's budget has extensive impact on higher education and financial aid

Pell grants expanded, while other programs are reduced or eliminated

President Bush's Fiscal Year 2006-07 budget proposal calls for a \$500 increase over five years in the maximum Pell Grant, raising the maximum to \$4,550 per year. For 2006 Pell Grants would increase to \$4,150. An additional \$1,000 first year increase would be awarded to students who take specific college-preparatory courses in high school. The President also proposes establishing a separate \$5,000 annual award (with eligibility limited to Pell Grant recipients) that would go to those who agreed to study mathematics and science in college.

The US Department of Education estimates that for Washington students this would mean an increase of about \$11.1 million in estimated 2006-07 Pell funding compared to the Department's estimate for 2005-06. That is about a 5.2 percent increase.

The increase, however, is smaller when compared to the current 2004-05 year. The Department estimates that in 2005-06 Washington students will realize a net loss of Pell funding of about \$4.5 million due to the previously announced update to the state and local tax tables used in calculating Pell eligibility. Therefore, compared to the 2004-05, the anticipated increase in 2006-07 represents a 3.0 percent gain in total funding.

Other changes to the program include putting a time limit on how long students could receive Pell Grants, reducing the now-indefinite eligibility period to eight years or the equivalent of 16 semesters, and allowing Pell Grant recipients to use their awards year-round rather than just during the traditional nine month academic year.

Funding for this increase comes through reductions to loan subsidies for lenders and guarantors as well as the elimination of some aid programs and early intervention programs. Most notably, the proposed budget eliminates the Leveraging Education Aid Program (LEAP), the Perkins Loan program, and the GEAR-UP program.

Washington currently receives about \$1.8 million in LEAP funding which is used to match state dollars in the State Need Grant and State Work Study programs. The Board estimates that withdrawal of this funding would result in about 850 students losing awards that average about \$2,186 each.

The termination of the Perkins loan program includes the recall of the federal share. According to FISAPP records for the state of Washington, the federal share equals about \$147 million dollars. Recall of this funding would leave an institutional share of about \$25 million which may be too small for some schools to maintain a viable institutional loan program. In

2003-04, about 15,600 Washington students received about \$36 million in Perkins loans which averaged about \$2,300 per student.

The GEAR-UP program in Washington is currently valued at about \$13.5 million between the statewide grant operated by the Board in twelve towns and cities and the "Partnership" grants operated throughout the state by seven colleges and two school districts.

At the same time, the budget significantly reduces overall TRIO programs for disadvantaged students. Both the Upward Bound and Talent Search programs would be eliminated. Other programs would receive no annual funding increases, including Federal Work Study and Supplemental Educational Opportunity Grants. The Robert C. Byrd scholarship, named for one of the president's most vocal critics, would also be eliminated.

The Federal Work Study (FWS) program, while not proposed for a funding reduction, would be separated into two programs: one for regular work study awards and one for special community service awards. The community service program will equal 20% of the total appropriation. Colleges would have to apply and compete for this funding separately from their regular allocation. Currently, seven percent of the total FWS allocation must be used for community service placements. Presumably there is no guarantee that applying schools will receive the same level of funding as they have in the current program.

A [chart of higher education impacts](#) in President Bush's proposed budget can be found on *The Chronicle of Higher Education* Web site. The Web site requires a subscription.

Republicans in Congress propose reauthorization of Higher Education Act

Many financial aid programs impacted by this and other legislation

Congressional Republicans have reintroduced legislation that failed to pass last year, hoping to expand college access for low and middle-income students through reauthorization of the Higher Education Act (HEA). John Boehner (R-OH), chairman of the House Education and the Workforce Committee, says the committee intends to pass "revenue-neutral" legislation that focuses on student access, shuts down excess subsidies to lenders and non-students, and holds schools accountable for their tuition hikes.

Expanded college access would be achieved through

- strengthening Pell Grants
- eliminating outdated rules that restrict student benefits at particular

Continued from previous page...

types of institutions; as well as eliminating restrictions on distance education

- re-organizing loan limits to allow for higher levels of borrowing during the first two years of college, while keeping the overall debt limit the same
- shutting down excess lender subsidies
- simplifying and streamlining the financial aid application and administration processes
- expanding student loan relief for teachers who serve needy K-12 schools and making higher loan relief available to math, science, and special education teachers who teach in low-income schools

Other federal legislation being considered includes:

S.15 Increases Pell Grant funds and provides additional support for the federal TRIO and GEAR UP programs;

H.R. 555 Ensures that all profits made by schools acting as lenders are used for need-based grant aid;

H.R. 508 Simplifies regulations of HEA, including clarifying that home-schooled students can receive aid and allowing financial aid professionals to use professional judgment when a student is a ward of the court

S. 9 Reauthorizes the "Workforce Investment Act";

S. 43 Allows all servicemen and women who have served or are serving on active duty since November 2001 to opt into the G.I. Bill with no penalty or enrollment fee;

S. 75 and S. 76 (introduced by Washington Senator Maria Cantwell) Permanently increases the maximum annual contribution allowed in Coverdell education savings accounts from \$2,000 to \$5,000. Also allows a tax deduction for contributions to education savings accounts;

S. 117 Amends HEA to extend loan forgiveness to certain Head Start teachers, canceling repayment obligations for FFEL and Direct student loans.

Legislative hearings on financial aid and select higher education issues: Feb. 14 – Feb. 18

You can listen to hearings — live or from the archives — on [TVW's Web site](#).

Monday, Feb. 14:

House Appropriations, 3:30 p.m., House Hearing Room A

Public hearing:

- HB 1050 – Creating a foster care endowed scholarship program
- HB 1100 – Creating a state financial aid account

Senate Early Learning, K-12 & Higher Education, 3:30 p.m., Senate Hearing Room 1

Public hearing:

- SCR 8401 – Creating a joint select committee concerning Latino accessibility to higher ed

Tuesday, Feb. 15:

House Higher Education, 1:30 p.m., House Hearing Room D

Public hearing:

- HB 1794 – Expanding access to baccalaureate degree programs
- HCR 4404 – Approving the WTECB comprehensive plan

Possible executive session:

- HB 1556 – Membership on community college boards of trustees
- HB 1607 – Providing resident tuition for members of the Samish Indian Nation

Wednesday, Feb. 16:

House Appropriations, 3:30 p.m., House Hearing Room A

Possible executive session:

- HB 1050 – Creating a foster care endowed scholarship program
- HB 1100 – Creating a state financial aid account

Thursday, Feb. 17:

House Higher Education, 8 a.m., House Hearing Room C

Public hearing:

- HB 1250 – Tuition waivers at CWU
- HB 1733 – Pay equity for part-time CTC faculty
- HB 1825 – Customized workforce training program funding
- HB 1079 – Foster youth postsecondary education committee

Possible executive session:

- HB 1794 – Expanding access to baccalaureate degree programs

Senate Early Learning, K-12 & Higher Education, 3:30 p.m., Senate Hearing Room 1

- SB 5728 – Studying the community and technical college funding system

Friday, Feb. 18:

Senate Early Learning K-12 & Higher Education, 8 a.m., Senate Hearing Room 1

Public hearing:

- SB 5759 – Supporting the state achievers' scholarship program
- SB 5843 – Establishing the college in the high school program

Online resources for tracking and analyzing legislation

Full text of bills and supporting materials:	http://www.leg.wa.gov/wsladm/bills.cfm
Complete legislative hearing schedule:	http://www.leg.wa.gov/wsladm/calendar.cfm
Live and archived Web broadcast of all hearings:	http://www.tvw.org
HECB 2005 legislative session site:	http://www.hecb.wa.gov/Leg/index.asp

Bills of interest by subject

For current information about the status of a bill, visit the Washington State Legislature's Web site: <http://www.leg.wa.gov/wsladm/bills.cfm>.

Bill numbers **Sponsors** **Description**
Senate
House

Financial aid & scholarships

SB 5759	Weinstein	Broadens support for the Washington state achievers' scholarship. Appropriates up to \$1 million to the Office of the Superintendent of Public Instruction to support community volunteer mentors working with achievers' scholars.
HB 1550	Santos	
HB 1100	Kenney	Establishes a state financial aid account. The purpose of the account is to ensure that financial aid appropriations are reserved to provide financial assistance to Washington college students.
HB 1345	Hasegawa	Expands eligibility for the State Need Grant to students who are attending less than half-time. Minimum attendance would be lowered to the equivalent of four credit hours per quarter.

Foster Care recipient education

SB 5084	McAuliffe	Establishes a committee to investigate educational outcomes for foster youth. Committee would assess needs, identify funding sources, review effectiveness of current educational opportunities, identify new activities, and review resources in an ongoing capacity in regard to postsecondary education for foster youth. Ensures that eligible foster care youth will receive State Need Grants and be given priority for State Work Study awards.
HB 1079	Kagi	
HB 1050	Kenney	Creates a foster care endowed scholarship. Provides initial funding of \$150,000 for the endowment.

Bills of interest by subject, continued

For current information about the status of a bill, visit the Washington State Legislature's Web site: <http://www.leg.wa.gov/wsladm/bills.cfm>.

Washington Promise Scholarship

SB 5001	Honeyford	Allows for Promise scholarships to be used at institutions in Oregon when the commute distance for a Washington resident is shorter than to a Washington institution.
SB 5075 HB 1077	Kohl-Welles Kenney	Expands Promise eligibility to the top 20% of high school graduates. Current cutoff is 15%.

Issues relating to minority students

SB 5021	Jacobsen	Establishes the Hispanic American endowed scholarship. This program would be similar to the existing American Indian endowed scholarship, which was also initially proposed by Senator Jacobsen.
HB 1607	Strow	Adds the Samish Indian Nation to the list of recognized tribes for whom Washington state residency is assumed for the purpose of tuition and fees.

College courses for high school students

SB 5076 SB 5843 HB 1076	McAuliffe McAuliffe Kenney	These bills establish statewide rules and consistency for the College in the High School program. Currently this program exists in many areas, but is not regulated in regard to funding and administration.
SB 5360	Brandland	Makes the Certificate of Academic Achievement a requirement for participation in the Running Start program.
HB 1399	Quall	Authorizes public tribal colleges that are authorized by the HECB to operate as degree-granting institutions to participate in the Running Start program.

Miscellaneous

SB 5506 HB 1894	Kohl-Welles Chase	Requires institutions to develop policies in regard to credit card marketing to students on college campuses, considering material inducements, limits on times and locations, and registration of marketers.
----------------------------------	----------------------	---